



**National Grid**

## **AMENDMENT REPORT**

**CUSC Proposed Amendment CAP069**

**Users' Forecasts used in the calculation of TNUoS  
Charges**

*The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP069*

Amendment Ref	CAP069
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Prepared by	National Grid

**I DOCUMENT CONTROL****a National Grid Document Control**

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1.0	10/05/04	National Grid	Formal version for submission to the Authority

**b Document Location**

Nation Grid Website:

<http://www.nationalgrid.com/uk/indinfo/cusc>

**c Distribution**

<b>Name</b>	<b>Organisation</b>
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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## 1.0 SUMMARY AND RECOMMENDATION

- 1.1 Amendment Proposal CAP069, Users' Forecasts used in the calculation of TNUoS charges, was proposed by Innogy on 4<sup>th</sup> December 2003. The CUSC Amendments Panel determined that CAP069 should be considered by a Working Group. The Working Group provided a final report to the Panel on February 27<sup>th</sup> 2004. The Panel agreed that the Working Group had fulfilled its Terms of Reference and it was appropriate to proceed to wider industry consultation by National Grid.
- 1.2 The Proposed Amendment seeks to clarify the requirements of the CUSC in respect of Users' Forecasts used in the calculation of TNUoS charges and to define the process by which National Grid uses the data provided in the charge setting process.
- 1.3 National Grid received four responses to the CAP069 consultation, three of which were in support of the Amendment, and one was not. Of the three which supported the Amendment, two supported the Original Amendment and one supported Alternative A.

### National Grid Recommendation

- 1.4 National Grid recommends CAP069 is not implemented and no change is made to the CUSC.

## 2.0 PURPOSE AND SCOPE OF THE REPORT

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses issues relating to the supply of Users' Demand Forecasts and their usage in the calculation of TNUoS Charges.
- 2.2 Further to the submission of Amendment Proposal CAP069 (see Annex 1) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP069.
- 2.3 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a 'summary' of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 to this document.
- 2.4 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at <http://www.nationalgrid.com/uk/indinfo/cusc>

### 3.0 THE PROPOSED AMENDMENT

#### Background

- 3.1 The proposer of CAP069 highlighted that the CUSC currently requires Users to provide NGC with information that enables NGC to calculate Transmission Network Use of System (TNUoS) charges, but that the CUSC itself does not make clear how precisely this information will be used in the calculation of TNUoS charges. Furthermore there are no requirements in the CUSC relating to the quality of this information. However NGC believes that both these issues are dealt with through the Charging Statements.

#### The Proposed Amendment

- 3.2 CAP069 proposes to clarify the use of the data submitted by Users as set out in 3.10 (Use of System) and 9.10.2 (Interconnectors). Specifically in respect of the nodal generation and demand inputs to the ICRP model; the forecast generation and demand inputs to the calculation of the initial transport tariff; the forecast generation and demand in the calculation of the security and residual tariff.
- 3.3 CAP069 also proposes to introduce obligations on the accuracy of the data submitted by Users.
- 3.4 The amended CUSC text to give effect to CAP069 is contained in Annex 2, Part A. The amended CUSC text to give effect to Consultation Alternative (A) is contained in Annex 2, Part B. The amended CUSC text to give effect to the Consultation Alternative (B) is contained in Annex 2, Part C.

#### Working Group Discussions

- 3.5 The CUSC Amendments Panel decided that a Working Group should consider CAP069 and report back to the Panel. In accordance with their Terms of Reference the Working Group considered the National Grid proposal CAP069.
- 3.6 The Applicable CUSC Objectives are defined in Paragraph 1 of Condition C7F of National Grid's Transmission Licence and can be summarised as follows:
- the efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence; and
  - facilitating effective competition in the generation and supply of electricity and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
- 3.7 The Working Group assessed the proposed Amendment against the Applicable CUSC Objectives and the majority agreed that the amendment Proposal would better facilitate the applicable CUSC Objectives as described. In the Working Group report, NGC suggested that this Amendment did not better facilitate the Applicable CUSC Objectives and this matter is better addressed via the Charging Methodology Statements as it was in effect outside of the remit of the CUSC.
- 3.8 The majority of the Working Group agreed that in order to achieve greater clarity in respect of the requirements to provide data to NGC, an additional clause could be added to the CUSC in section 3.10 to set out more clearly what information would be requested from Users by NGC in December of each year.

- 3.9 Some further changes to the wording of 3.10 were also proposed to support the additional paragraph and to clarify that in December NGC would request a forecast of TEC from those Users liable to pay generator TNUoS charges and in March, a forecast of Demand from suppliers.
- 3.10 Equivalent changes to section 9.10.2 of the CUSC, which relates to Interconnector owners, were also proposed.
- 3.11 The majority of the Working Group believed that the addition of such a clause would better achieve the CUSC Objective to promote competition as the improved clarity would reduce the burden on CUSC users and therefore reduce barriers to entry into the market. It was also believed that greater clarity in the requirements for provision of information would better facilitate the efficient discharge by NGC of the obligations imposed on it by the Act and the Transmission Licence.
- 3.12 Through consideration and development by the Working Group the Amendment Proposal has been clarified and given further definition. The main issues considered by the group were as follows:
- I. the extent to which the defect exists and should be addressed within the CUSC;
  - II. the basis for establishing fair and reasonable estimates which would make it possible to distinguish between reasonable forecasts and unreasonable forecasts provided by Users;
  - III. possible incentives that could be placed on Users to provide accurate forecasts;
  - IV. whether there is a need to clarify, within the CUSC, the use of the Users' Forecasts in the calculation of TNUoS tariffs and charges;
  - V. the timetable and data requirements for Users' Forecasts and the process for revision of forecasts;
  - VI. the scope for the involvement of the Authority in any dispute process relating to forecasts provided by Suppliers to National Grid;
  - VII. implementation timescales;
  - VIII. consistency with issues raised by CAP055;
  - IX. confirmation of what data is required from Users. Is it TEC or maximum output;
  - X. the impact of any changes on the current years charges as well as charges in future years.

### **Governance – Put in with section on Applicable CUSC Objectives**

- 3.13 The Working Group considered the governance issues associated with this Amendment with regard to the boundary between the CUSC and the Charging Methodology Statement. There was general agreement that any obligations on Users should be set out in the CUSC whilst the Charging Statements should set out the process by which NGC calculates its TNUoS charges. NGC's view remains that this is an issue outside of the remit of the CUSC and is better dealt with through the Charging Statements.
- 3.14 It was considered that a significant part of the defect identified by the proposed Amendment (specifically the use of data in the calculation of TNUoS tariffs and charges) falls under the governance of the Charging Statements and that the only role of the CUSC is to place the obligation on Users to provide NGC with the data it requires to calculate and set tariffs pursuant to the Charging Statements.
- 3.15 The proposer believes that in order to address the perceived defect, changes to the Charging Statements may be required in parallel with changes to the CUSC.

## **4.0 IMPLEMENTATION AND TIMESCALES**

- 4.1 NGC do not recommend implementation. The Working Group proposed that CAP069 could be implemented within 10 business days of an Authority decision, ideally before the publication of the next Seven Year Statement October Update, however, were this not to be possible, implementation could come about at any point with the requisite 10 business days notice.

## **5.0 IMPACT ON THE CUSC**

- 5.1 The Proposed Amendment would require amendments to paragraphs: 3.10 (Data Requirements); 9.10.2 (Interconnectors), including the addition of a new paragraph to each section; and Section 11 (Interpretation and Definitions).
- 5.2 The text required to give effect to the Proposed Amendment is contained as Annex 2, part A, the text required for Alternative A is contained as Annex 2, part B, and the text required for Alternative C is contained as Annex 2, part C, of this document.

## **6.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES**

- 6.1 The terms of the Transmission Licence require National Grid to discharge the obligations imposed on it by the Act and the Transmission Licence efficiently and facilitate effective competition in the generation and supply of electricity (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of Electricity. CAP069 proposes to address a defect in the CUSC. CAP069 will enable National Grid to more efficiently discharge its obligations under Paragraph 1 of Condition C7F of National Grid's Transmission Licence and can be summarised as follows:
- the efficient discharge by National Grid of the obligations imposed on it by the Act and the Transmission Licence; and
  - facilitating effective competition in the generation and supply of electricity and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
- 6.2 The Working Group assessed the proposed Amendment against the applicable CUSC Objectives and the majority agreed that the Amendment Proposal would better facilitate the applicable CUSC Objectives as described below.
- 6.3 There is a general belief that this would lead to improved clarity of the data required by NGC from Users to enable it to calculate the TNUoS tariffs. This additional clarity would promote competition by reducing the burden on CUSC users and therefore would reduce barriers to entry into the market. It was also believed that greater clarity in the requirements for provision of information would better facilitate the efficient discharge by NGC of the obligations imposed on it by the Act and the Transmission Licence. However, NGC believes this is an issue for the Charging Statements and therefore, to include the detail in the CUSC could create greater confusion around the governance of this matter.
- 6.4 Alternative Amendment (A) and (B) address the same defect in the CUSC that CAP069 was designed to address. Therefore, it is proposed that both CAP069 and Alternatives (A) and (B) better facilitate the applicable CUSC Objectives. However, NGC believes that repeating details from the Charging Statements in the CUSC leads to inconsistent governance.

## **7.0 IMPACT ON CUSC PARTIES**

- 7.1 CUSC parties will need to be aware of how the data provided will be utilised in the charge setting process.

## **8.0 IMPACT ON CORE INDUSTRY DOCUMENTS**

- 8.1 No changes have been suggested by the Working Group, however, the Proposer believes that a consequential change to the Charging Methodology Statements would be necessary in order to ensure consistency between the two documents.

## **9.0 ALTERNATIVE AMENDMENT**

### **Description of Alternative Amendment**

- 9.1 Working Group members had some differences of opinion over whether the purpose of Section 3.10 should be to “enable” NGC to request a defined set of information from Users or to “obligate” NGC to request the data. There was also a difference of opinion over whether some of the data to be requested should include a forecast of maximum station output, which some members believed would be more relevant than TEC forecasts for Users in negative charging zones.
- 9.2 In order to reflect these differing views on whether the purpose of Section 3.10 should be to “enable” NGC to request a specific information from Users or to “obligate” NGC to request specific data, the Working Group has developed two alternatives.
- 9.3 Alternative A: Places an obligation on NGC to request, and on Users to provide, a forecast of TEC in December each year for the following charging year.
- 9.4 Alternative B: Enables NGC to request, and obligates Users to provide if requested, a forecast of TEC and a forecast of maximum station output in December each year for the following charging year.

## **10.0 VIEWS AND REPRESENTATIONS**

- 10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment and the Alternative Amendments.

### **Views of Panel Members**

- 10.2 Two Amendment Panel members responded to CAP069 consultation. One supported Alternative A and the other did not support either the proposed amendment or any of the Alternatives.

### **View of Core Industry Document Owners**

- 10.3 No responses to the CAP069 Consultation were received from Core Industry Document Owners.



## Responses to Consultation

10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP069-CR-01	PowerGen	Alternative A	
CAP069-CR-02	EDF	Not supportive	
CAP069-CR-03	Centrica	Original Amendment	
CAP069-CR-04	Innogy	Original Amendment	Proposer

10.5 National Grid received a total of four responses on the Consultation. None of the respondents presented a Consultation Alternative. One of the respondents was not supportive of the either the Original or the Alternatives proposed. Two of the respondents supported the Original Amendment and one respondent supported Alternative A. None of the respondents supported Alternative B.

10.6 One respondent (CAP069-CR-01) supports the intention of CAP069 to clarify the process for data provision and to allocate clear responsibility to both User's and NGC. The respondent believes that this amendment is applicable to the CUSC and consequentially to the Charging Methodology Statements. The CUSC should contain the obligations and the Charging Methodology Statements should contain detail of how the data is applied in the Charge Setting process. The respondent considers that Alternative A is the most appropriate version as this does not request data that NGC would not use. The respondent considers the legal text to be slightly disjointed, but acknowledges that this was to ensure consistency with an earlier Amendment CAP055 that was with the Authority for direction at the time of drafting.

10.7 One respondent (CAP069-CR-02) supports the intention of CAP069 to clarify the data requirements and its usage. However, the respondent makes it clear that they consider this to be an area outside of the governance of the CUSC, and therefore does not better facilitate the CUSC Objectives. They consider a more suitable forum would be for the defect to be considered by NGC under the Statement of Use of System Charging Methodology.

10.8 Two respondents, CAP069-CR-03 and CAP069-CR-04 (proposer) both considered that the Original Amendment better facilitated the CUSC Objectives and contrary to the view of National Grid considered that an amendment to the Charging Methodology Statement was required in order to ensure the correct usage of the data. Both respondents consider that this amendment, through its requirement for both maximum station output and TEC to be requested and utilised, will increase the cost-reflectivity of the charges for both negative and positive charging zones. Furthermore they consider the amendment will provide greater clarity and transparency of the process. Neither of the respondents supported the alternatives presented and one respondent (CAP06-CR-03) felt that if any of the alternatives were to be approved they would not sufficiently address the defect present.

## 11.0 NATIONAL GRID RECOMMENDATION

11.1 National Grid agree that any obligations on Users or NGC to provide data should be set out in the CUSC whilst the Charging Statements should set out the detailed processes by which NGC calculate the TNUoS charges. Whilst not agreeing with the proposer with the materiality of the defect, we agree that the topics described are

better addressed via the Charging Statements. National Grid consider that the different sets of data used in the transport and tariff models is a matter for the Charging Statements and not the CUSC. Also, National Grid consider that the accuracy of the forecast data provided by Users to inform our own forecast of the generation charging base is out of scope of this amendment. National Grid believe that it should not be required to request a forecast maximum station output as the Charging Methodology Statement does not currently specify the use of such a forecast in the calculation of TNUoS Tariffs.

11.2 Given the above, National Grid believe that a significant part of the original proposal is out of scope for the CUSC. The proposed amendment and alternatives are only duplicating the detail of the Charging Statements in CUSC 3.10. We would argue that this is not better facilitating the applicable CUSC objective relating to the efficient discharge of our obligations. There is no benefit in replicating detail in the CUSC and Charging Statements and would create an opportunity for inconsistency as there are separate mechanisms involved in the change process for the governance of the CUSC and the Charging Statements.

11.3 National Grid's recommendation is therefore that no change to the CUSC is directed.

## **12.0 COMMENTS ON DRAFT AMENDMENT REPORT**

12.1 National Grid received 0 responses following the publication of the draft Amendment Report.

**Annex 1 - Amendment Proposal Form**

<b>CUSC Amendment Proposal Form</b>	<b>CAP:069</b>
<p><b>Title of Amendment Proposal:</b></p> <p>Users' Forecasts used in the calculation of TNUoS charges.</p>	
<p><b>Description of the Proposed Amendment</b> (<i>mandatory by proposer</i>):</p> <p>The CUSC currently requires Users to provide NGC with information that enables NGC to calculate Transmission Network Use of System (TNUoS) charges, but it does not make clear how precisely this information will be used in the calculation of TNUoS charges. Furthermore, there are no requirements relating to the quality of this information.</p> <p>It is proposed that the CUSC should clarify that the data submitted by Users as set out in paragraph 3.10 will be used:</p> <ul style="list-style-type: none"> <li>▪ As the nodal generation and nodal demand inputs into the ICRP model as specified in the Charging Statements</li> <li>▪ As the forecast generation and demand inputs in the calculation of the initial transport tariff as specified in the Charging Statements; and</li> <li>▪ As the forecast generation and demand in the calculation of the security and residual tariff as specified in the Charging Statements</li> </ul> <p>The proposed amendment would make it clear that the forecasts from Users should be representative of peak conditions on the transmission system, as specified in the Charging Statements. It would ensure that the generation assumptions are consistent throughout the TNUoS tariff calculation and that the demand assumptions are consistent throughout the TNUoS tariff calculation. The amendment would also ensure consistency between the use of Generator and Supplier forecasts.</p> <p>Data should be provided in accordance with reasonable and prudent operator obligations under the CUSC. NGC shall be permitted to reject data provided by Users in specific circumstances set out in the CUSC and use its own fair and reasonable estimates where they believe the data to be inappropriate. However, in this case there should be an obligation on NGC to inform the User why they have rejected the forecast.</p>	
<p><b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> (<i>mandatory by proposer</i>):</p> <p>Paragraph 3.10 of the CUSC requires Users to provide forecasts to NGC on or before the end of the Second week in December for the purposes of calculating the TNUoS charges. However, it is not clear what data is required from Users or exactly how the data will be used in the calculation of TNUoS tariffs. In addition, NGC has expressed concerns over the quality of the data, particularly in relation to poor quality forecasts of demand. These concerns are equally applicable to generation forecasts.</p> <p>Currently it is unclear that there is a requirement for data that is representative of peak conditions to be provided by Users. This must be clarified so that Users can provide appropriate forecasts. The absence of representative forecasts may result in NGC using data derived from other sources, such as TECs in the annual SYS and its quarterly updates, as an input to the ICRP model used to calculate TNUoS charges. This data will not reflect peak conditions and its use would therefore result in TNUoS charges that are not cost-</p>	

reflective.

The Proposed Amendment will clarify the data required from Users, the timescales for its submission, the process for revising forecasts, and the requirements for new Users. These points of clarification mean that amendments to paragraph 3.11 of the CUSC would also be necessary.

The Proposed Amendment also allows NGC to reject any forecasts in specific circumstances, and instead to use its own fair and reasonable estimates. The detailed process for doing so will be set out in the CUSC. The Proposed Amendment would therefore protect NGC (and ultimately the industry) from the effects of Users who have under-paid TNUoS charges as a result of poor quality forecasting.

**Impact on the CUSC** (*this should be given where possible*):

Paragraphs 3.10 and 3.11 of the CUSC would require significant amendment in order to give effect to the changes proposed above.

**Impact on Core Industry Documentation** (*this should be given where possible*):

**Impact on Computer Systems and Processes used by CUSC Parties** (*this should be given where possible*):

**Details of any Related Modifications to Other Industry Codes** (*where known*):

**Justification for Proposed Amendment with Reference to Applicable CUSC Objectives\*\***  
(*mandatory by proposer*):

The proposal will improve the accuracy of data submitted by Users and consequently improve the accuracy and consistency of the data used in the TNUoS tariff calculation. This will improve the cost reflectivity of TNUoS charges and thereby better facilitate the economic, efficient and co-ordinated operation of the Transmission System.

In addition, the absence of any requirement for Users to provide reasonable forecasts may result in effective discrimination in favour of those that under-forecast or over-forecast, by reducing their TNUoS charges. Implementation of this Proposal would eliminate any discrimination and therefore better facilitate effective competition in the supply of electricity, as all Users' charges would then be cost reflective.

<b>Details of Proposer:</b> Organisation's Name:	RWE Innogy
<b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	David Tolley RWE Innogy 01905 340680 <a href="mailto:david.tolley@rweinnogy.com">david.tolley@rweinnogy.com</a>
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Shona Watt RWE Innogy 01793 892633 <a href="mailto:shona.watt@rwe.com">shona.watt@rwe.com</a>
<b>Attachments (Yes/No):</b> <b>If Yes, Title and No. of pages of each Attachment:</b>	

**Notes:**

- Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
- The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn  
Panel Secretary  
Commercial Development  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry, CV4 8JY  
Or via e-mail to: [CUSC.Team@uk.ngrid.com](mailto:CUSC.Team@uk.ngrid.com)

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives\*\* - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

## Annex 2 – Proposed Text to modify CUSC

### Part A - Text to give effect to the Proposed Amendment

#### Change Marked Version

#### 3.10 DATA REQUIREMENTS

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as NGC may from time to time reasonably request pursuant to the Charging Statements to enable **NGC** to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements due from the User to NGC or from NGC to the User (as the case may be) including the data specified in the Charging Statements for the Financial Year to which the data relates.
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the end of the second week of December 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on NGC's reasonable request with such data as NGC may from time to time reasonably request its Demand Forecast for the following Financial Year pursuant to the Charging Statements to enable **NGC** to use such data Demand Forecast as the basis for calculation of the **Transmission Network Use of System Charges pursuant to the Charging Statements** for the **Financial Year** to which the data Demand Forecast relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week of December in each Financial Year, each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply NGC, on NGC's reasonable request with a forecast maximum TEC and forecast maximum station output, for the following year, to inform NGC of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

#### Section 11 - Definition

**Demand Forecast** A Users forecast of its Demand submitted to NGC in accordance with Paragraphs 3.10, 3.11 and 3.12

**Section 9****9.10.2 Data Requirements**

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 as **NGC** may from time to time reasonably request ~~pursuant to the **Charging Statements**~~ to enable **NGC** to calculate the **Transmission Network Use of System Charges** ~~pursuant to the **Charging Statements** due from the **User** to **NGC** or from **NGC** to the **User** (as the case may be) including the data specified in the **Charging Statements**~~; for the **Financial Year** to which the data relates.
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the end ~~of the second week of December~~ 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC**'s reasonable request with ~~such data as **NGC** may from time to time reasonably request its **Demand Forecast** for the following **Financial Year** pursuant to the **Charging Statements**~~ to enable **NGC** to use such ~~data~~ **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the ~~data~~ **Demand Forecast** relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast



maximum TEC and forecast maximum station output, for the following year, to inform NGC of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

## Clean Version

### 3.10 DATA REQUIREMENTS

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as **NGC** may from time to time reasonably request to enable **NGC** to calculate the tariffs for the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data relates.
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the end 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC's** reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week of December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC**, on **NGC's** reasonable request with a forecast maximum TEC and forecast maximum station output, for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

## Section 11 - Definition

**Demand Forecast** A **Users** forecast of its **Demand** submitted to **NGC** in accordance with Paragraphs 3.10, 3.11 and 3.12

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**Section 9****9.10.2 Data Requirements**

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 as **NGC** may from time to time reasonably request to enable **NGC** to calculate the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data relates.
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the end 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC**'s reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast maximum TEC and forecast maximum station output, for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

## Part B - Text to give effect to Alternative Amendment A

### Change Marked Version

#### 3.10 DATA REQUIREMENTS

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as NGC may from time to time reasonably request pursuant to the Charging Statements to enable **NGC** to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements due from the User to NGC or from NGC to the User (as the case may be) including the data specified in the Charging Statements for the Financial Year to which the data relates.
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the end of the second week of December 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on NGC's reasonable request with such data its Demand Forecast for the following Financial Year as NGC may from time to time reasonably request pursuant to the Charging Statements to enable **NGC** to use such data Demand Forecast as the basis for calculation of the **Transmission Network Use of System Charges pursuant to the Charging Statements** for the **Financial Year** to which the data Demand Forecast relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week in December in each Financial Year, each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply NGC with a forecast maximum TEC for the following year, to inform NGC of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

### Section 11 - Definition

**Demand Forecast** A Users forecast of its Demand submitted to NGC in accordance with Paragraphs 3.10, 3.11 and 3.12

## Section 9

### 9.10.2 Data Requirements

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 **NGC** may from time to time reasonably request ~~pursuant to the **Charging Statements**~~ to enable **NGC** to calculate the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** due from the **User** to **NGC** or from **NGC** to the **User** (as the case may be) including the data specified in the **Charging Statements**; for the **Financial Year** to which the data relates.
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the ~~end of the second week of December~~ 10th day of March in each **Financial Year**, each **User** shall supply **NGC**, on **NGC's** reasonable request with such data as **NGC** may from time to time reasonably request its **Demand Forecast** for the following **Financial Year** pursuant to the **Charging Statements** to enable **NGC** to use such data as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data **Demand Forecast** relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each **Financial Year** each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast

maximum TEC for the following year, to inform NGC of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

## Clean Version

### 3.10 DATA REQUIREMENTS

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as **NGC** may from time to time reasonably request to enable **NGC** to calculate the tariffs for the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data relates.
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the 10<sup>th</sup> day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC's** reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week in December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast maximum TEC for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

## Section 11 - Definition

**Demand Forecast** A **Users** forecast of its **Demand** submitted to **NGC** in accordance with Paragraphs 3.10, 3.11 and 3.12

## 9.10.2 Data Requirements

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 **NGC** may from time to time reasonably request to enable **NGC** to calculate the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data relates.
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the 10th day of March in each **Financial Year**, each **User** shall supply **NGC**, on **NGC's** reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such data as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each **Financial Year** each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast maximum TEC for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS Tariffs.



## Part C - Text to give effect to the Alternative Amendment B

### Change Marked Version

#### 3.10 DATA REQUIREMENTS

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as NGC may from time to time reasonably request pursuant to the Charging Statements to enable **NGC** to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements due from the User to NGC or from NGC to the User (as the case may be) including the data specified in the Charging Statements for the Financial Year to which the data relates
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the end of the second week of December 10th day of March in each **Financial Year**, each **User** shall supply **NGC** on NGC's reasonable request with such data as NGC may from time to time reasonably request its Demand Forecast for the following Financial Year pursuant to the Charging Statements to enable **NGC** to use such data Demand Forecast as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the Charging Statements for the **Financial Year** to which the data Demand Forecast relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week of December in each Financial Year, each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply NGC with a forecast maximum TEC and, as requested by NGC from time to time, forecast maximum station output for the following year, to inform NGC of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

### Section 11 - Definition

**Demand Forecast** A Users forecast of its Demand submitted to NGC in accordance with Paragraphs 3.10, 3.11 and 3.12

## 9.10.2 Data Requirements

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 **NGC** may from time to time reasonably request ~~pursuant to the Charging Statements~~ to enable **NGC** to calculate the tariffs for the Transmission Network Use of System Charges pursuant to the Charging Statements due from the User to NGC or from NGC to the User (as the case may be) including the data specified in the Charging Statements; for the Financial Year to which the data relates;
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the ~~end of the second week of December~~ 10th day of March in each **Financial Year**, each **User** shall supply **NGC** on NGC's reasonable request with ~~such data as NGC may from time to time reasonably request~~ its Demand Forecast for the following Financial Year pursuant to the Charging Statements to enable **NGC** to use such ~~data~~ Demand Forecast as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the Charging Statements for the **Financial Year** to which the ~~data~~ Demand Forecast relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each Financial Year, each User that is liable for generation Use of System Charges in accordance with 3.9 shall supply NGC with a forecast maximum TEC and, as requested by NGC from time to time, forecast maximum station output, for the following year, to inform NGC of the



forecast generation to be used for the purposes of setting TNUoS Tariffs

**Clean Version**

**3.10 DATA REQUIREMENTS**

- 3.10.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 3.10 as **NGC** may from time to time reasonably request to enable **NGC** to calculate the tariffs for the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** due from the for the Financial Year to which the data relates
- 3.10.2 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 3.10.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 3.10.3 On or before the 10th day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC's** reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates;
- 3.10.4 Where the relevant date for charging set out in the relevant **Bilateral Agreement** (or in the **Use of System Supply Confirmation Notice**) in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 3.10.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 3.10.5 On or before the end of the second week of December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast maximum TEC and, as requested by **NGC** from time to time, forecast maximum station output for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS Tariffs.

**Section 11 - Definition**

**Demand Forecast** A **Users** forecast of its **Demand** submitted to **NGC** in accordance with Paragraphs 3.10, 3.11 and 3.12

---

## 9.10.2 Data Requirements

- 9.10.2.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **NGC** with such data as described under Section 9.10.2 **NGC** may from time to time reasonably request to enable **NGC** to calculate the tariffs for the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the data relates;
- 9.10.2.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** supply to **NGC** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **NGC** would otherwise have requested in accordance with Paragraph 9.10.2.1, in accordance with the terms of the **Charging Statements**. Where the **User** fails to so provide such data the **User** shall be deemed to have submitted data with zero values, to enable **NGC** to calculate the **Transmission Network Use of System Charges** due from the **User** to **NGC** and from **NGC** to the **User** as the case may be.
- 9.10.2.3 On or before the 10th day of March in each **Financial Year**, each **User** shall supply **NGC** on **NGC**'s reasonable request with its **Demand Forecast** for the following **Financial Year** to enable **NGC** to use such **Demand Forecast** as the basis for calculation of the **Transmission Network Use of System Charges** pursuant to the **Charging Statements** for the **Financial Year** to which the **Demand Forecast** relates.
- 9.10.2.4 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Use of System** falls during a **Financial Year**, the **User** shall on the date specified in writing by **NGC** to the **User** provide to **NGC** such forecasts (as appropriate) in respect of the **Financial Year** in which the charging date falls which it would otherwise have provided in accordance with Paragraph 9.10.2.3, in accordance with the relevant part of the **Charging Statements**. Where the **User** fails to provide such forecasts, the **User** shall be deemed to have submitted forecasts with zero values, and **NGC** shall use such forecasts as the basis of **Transmission Network Use of System Charges** for the **Financial Year** in which the charging date falls.
- 9.10.2.5 On or before the end of the second week of December in each **Financial Year**, each **User** that is liable for generation **Use of System Charges** in accordance with 3.9 shall supply **NGC** with a forecast maximum TEC and, as requested by **NGC** from time to time, forecast maximum station output, for the following year, to inform **NGC** of the forecast generation to be used for the purposes of setting TNUoS tariffs.

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**Annex 3 – Copies of Representations Received to Consultation**

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 12<sup>th</sup> March 2004, requesting comments by close of business on 16<sup>th</sup> April 2004).

Representations were received from the following parties:

<b>No.</b>	<b>Company</b>	<b>File Number</b>
1	PowerGen	CAP069-CR-01
2	EDF	CAP069-CR-02
3	Centrica	CAP069-CR-03
4	Innogy	CAP069-CR-04

<b>Reference</b>	CAP069-CR-01
<b>Company</b>	PowerGen

**Please see separate .pdf document**

<b>Reference</b>	CAP069-CR-02
<b>Company</b>	EDF

**Our Ref  
Your**

Lindsey Paradine  
National Grid Company plc  
NGT House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

**Date** 16 April 2004

Dear Lindsey,

**CAP069: Users' Forecasts used in the calculation of TNUoS Charges**

We are pleased to offer our views on this CUSC Amendment Proposal on behalf of all of the EDF Energy CUSC Parties.

EDF Energy agree with the proposer of this amendment proposal that there is a lack of clarity with respect to the data requirements from generators and how this data is used in the various stages of the charging methodology. However, under the current governance structure we believe that this would be best addressed under the Statement of Use of System Charging Methodology.

We do not believe that the changes proposed in this CUSC Amendment Proposal or the alternative amendment proposals would better facilitate the Applicable CUSC Objectives.

We would like to see the wider issues raised by the proposer given further consideration by NGC in the appropriate charging forum with the aim of providing greater clarity and transparency in the source and use of forecast generation data in the calculation of TNUoS charges.

We hope that you will find these comments useful. If you have any queries please do not hesitate to contact me.

Yours sincerely

Rupert Judson  
Transmission Infrastructure  
& Development Manager

<b>Reference</b>	CAP069-CR-03
<b>Company</b>	Centrica



*taking care of the essentials*

Lindsey Paradine  
Commercial  
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www.centrica.com  
Our Ref.  
Your Ref.  
10 May 2004

Dear Lindsey,

### **CUSC Amendment Proposal CAP069**

Centrica welcomes the opportunity to comment on the above consultation document and supports the implementation of the original proposal.

We believe that currently there is no perceived incentive for generators in negative charging zones to decrease their Transmission Entry Capacity (TEC) to one that reflects the on-going operating level. This, we believe, results in NGC using a higher than actually generated output figure as a basis for the inputs to the tariff model.

We suggest that NGC should be under an obligation to request both the TEC and a forecast of maximum station output, and for this data to be used in the calculation of tariffs. We suggest that this is imperative to ensure the accurate calculation of tariffs. We suggest that NGC needs to raise a charging methodology modification to ensure there is an obligation in place for NGC to use this data, as the basis for the input into the tariff model.

We believe more transparency is needed within the setting of the TNUoS tariffs, this is especially the case since the reclassification of assets from April 2004, following which a larger percentage of NGC's allowed revenue is collected from this charge. We suggest that this amendment is one step towards greater transparency.

As stated above, we support the implementation of the original proposal. We suggest that if any of the alternatives were adopted, this defect will not be addressed in full.

If Alternative A is selected, generators in negative charging zones are likely to submit a forecast TEC equal to their current TEC. We do not believe this will address the

issue of these generators having forecast TEC values that are in excess of their forecast maximum station output (as there is no direct incentive to do otherwise). Furthermore, either the forecast TEC or TEC will be used as the basis of the input into the tariff model creating potentially imprecise tariff levels.

If Alternative B is adopted, there is no obligation on NGC to request the maximum station output and it is, we believe, unlikely to be requested, at least in the short term.

We disagree with NGC's assertion that the topics of this amendment are better addressed within the charging methodology. We suggest that the charging methodologies should be updated as a result of this amendment but that the obligation on NGC to request this information and for generators to supply it must be contained within the CUSC.

Notwithstanding the above, we are disappointed that although NGC state that this defect is better addressed via the charging statements, no progress in this area has been seen by the industry or indicated as on-going by NGC.

We hope you find these comments useful.

Yours sincerely,

Sarah Owen  
Commercial Manager  
Centrica Energy





<b>Reference</b>	CAP069-CR-04
<b>Company</b>	RWE Innogy

**RWE Innogy**



Lindsey Paradine  
Commercial  
National Grid Company plc  
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Name	Shona Watt
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15<sup>th</sup> April 2004

Dear Lindsey

*The following comments are made on behalf of RWE Trading, RWE Innogy plc, Innogy Cogen Ltd., Innogy Cogen Trading Ltd., npower Ltd., npower Northern Supply Ltd., npower Yorkshire Supply Ltd, npower Northern Ltd, npower Yorkshire Ltd, National Wind Power*

### **CAP069 Consultation**

As proposer of CAP069, RWE Innogy believes that it will better facilitate the applicable CUSC objectives. An additional clause in CUSC section 3.10 to set out more clearly the information requested from Users by NGC would promote competition by clarifying the burden on Users and therefore reducing barriers to entry. Moreover, the greater clarity in information requirements will better facilitate the efficient discharge by NGC of the obligations imposed on it by the Act and the Transmission Licence.

The CAP069 debate has highlighted the inconsistencies prevailing in the use of TEC in setting TNUoS tariffs. Chapter 6 (6.1) of the Charging Methodology Statement currently states that Generators are required to provide forecast TECs and that this data is required by National Grid as the basis for setting TNUoS tariffs. Chapter 2 (2.31) states that the generation capacity used in the estimate of initial cost recovery is based on the forecasts provided by Users. However, if the only data provided by Users is forecast TEC, then this cannot possibly represent an accurate forecast of the chargeable capacity in negative charging zones. As the

chargeable capacity can only be less than TEC (in some cases by a significant amount) this will lead to a systematic over-estimate in the chargeable generation capacity, distorting the cost reflectivity of TNUoS tariffs and resulting in a systematic under-recovery against target. There is therefore a clear defect in the Charging Statements. In order to ensure the cost-reflectivity of tariffs, the forecasts provided by Users and used by National Grid in tariff setting must be an accurate reflection of chargeable capacity. They must therefore represent maximum metered volume in negative charging zones.

National Grid has argued that "a significant part of the original proposal is outside the scope for the CUSC". It is important for Users that the CUSC provides a clear statement of the information that will be required from them so that they can organise their affairs appropriately. Relying on a bland statement that the User must provide whatever information is required by the Charging Methodology Statement places Users in a position of uncertainty and thus promotes inefficient operation. The lack of clarity in the 2003/04 Charging Statement over the date by which a contractual TEC for the following year must be established, and the confusion that followed, illustrates the importance of enshrining these requirements in the CUSC.

CAP069 is designed to clarify the information requirements of generators such that the tariff can be appropriately set for the following year. These information requirements are inexorably linked to the Charging Statements. However, the only solution that ensures both clarity and cost-reflectivity is for CUSC Section 3.10 to specify the data requirements as both TEC (in positive zones) and maximum metered volume (in negative zones). We therefore support the original Amendment Proposal.

National Grid state that the issues raised by CAP069 are outside the scope of the CUSC. We believe that the issues to be resolved unavoidably relate to both the CUSC and the Charging Statements, and that approval of CAP069 should precipitate a consequential modification to the Charging Statements. However, this is by no means unprecedented nor does it put at risk inconsistencies between the two. As in similar cases, the implementation of CAP069 would simply be co-ordinated with that of the related charging modification to ensure consistency.

Yours sincerely

Shona Watt  
Transmission Charging Manager  
RWE Innogy